

CDBG Policy Committee Retreat
Monday, June 14, 2004
MINUTES

Present:

Chesley Christensen, Chairperson
Carol Page, Commissioner; Davis County
Constance Robinson, Mayor; Paragonah
Jerry McNeely, Councilmember; Grand County
Jim Abegglen, Commissioner, Uintah County
Lewis Marchant, Mayor; Kamas
McKay Willis; Mayor, Laketown

Guests: Nate Knight, MedSpring Inc.; Kelly Jorgensen, Utah HUD Office

AOG Staff: Diane Lamoureux, Five County AOG; Debbie Hatt, Southeastern Utah ALG; Emery Polelonema, Six County AOG; Heidi DeMarco, Mountainland AOG; Jeff Gilbert, Bear River AOG; LaNiece Dustman, Wasatch Front Regional Council

DCED Staff: Cheryl Elliott, Glenna Matekel, Keith Heaton and Julie Iosefa

1. **WELCOME/INTRODUCTIONS, Mayor Christensen:** Mayor Chesley Christensen of Mt. Pleasant, chairperson of the committee, welcomed everyone to the meeting, which was held at the Alta Lodge, Alta, Utah. The meeting started at approximately 9:00 a.m. Mayor McKay Willis of Laketown and representing Bear River Association of Governments region attended the policy meeting for the first time and he was introduced to the committee. Mayor William Leavitt of Alta Town was also present to welcome the policy committee into his town.
2. **Approval of Minutes (February 3, 2004):** The committee accepted the minutes as written.

Motion: Mayor Marchant made a motion to accept the minutes. Commissioner Page seconded the motion and the motion was carried.

3. **CDBG TRAINING, Rating and Ranking:** Keith acknowledged that the CDBG program and its requirements could be complex. He advised everyone of various publications as well as websites that are available as resource tools.

Keith provided a refresher course for everyone regarding the rating and ranking process. This process is the most critical component of the state CDBG program. The rating and ranking process gives local governments the opportunity to identify and prioritize projects in their communities. Because of this the state of Utah is unique in its method of distribution compared to the rest of the nation. It was also noted that the AOG's (Association of Governments) in the state are eligible applicants for CDBG funding as compared to the rest of the nation where their counterparts are ineligible.

The rating and ranking must:

- be clearly defined and measurable and have a scoring system
- be objective instead of subjective
- reflect the region's priorities in the scoring system

It is also very important to understand that the rating and ranking bodies cannot create set-asides for a specific non-competing project. If regions want to earmark funds, they need to be for general activities and applicants still need to compete. The AOG staff was given the opportunity to briefly describe each of their region's rating and ranking processes.

4. **2005 CALENDAR:** A copy of the calendar for the 2005 program year was distributed to everyone. Some important dates and deadlines were highlighted.
5. **UTAH INTERNSHIP:** Utah Intern, whose focus is to battle brain drain in the state, provided a fact sheet on how it could benefit the rural communities. The committee carried this item over from the meeting in February for a decision while they consulted with their regions on whether they should provide funding. With the decisions made by their regions, the committee voted and declined to fund the request of \$75,000.00

Motion: Mayor Robinson made a motion to deny the request for CDBG funds of \$75,000.00 to Utah Intern. Mayor Marchant seconded the motion and the motion was carried.

6. **INTERIM LOANS:**

Update on the Uintah Basin Medical Center Loan – last payment of \$834,188.00 will be made on June 30, 2004.

Tooele County Request – Mag-Corp was not prepared with an official request at this time.

Moab Request (MedSpring Inc.,) – The CFO (Chief Financial Officer) from MedSpring Inc., Nate Knight, presented the committee with a fact sheet on the gauze product that they are hoping to produce in Moab. The company is requesting a \$1 million interim loan to finance the purchase of real property to serve as a domestic manufacturing plant and main office. The company's main manufacturing plant is in China. The principals of MedSpring hope that with a manufacturing plant in Moab, they will be able to add more permanent year round jobs for the residents of the town. The gauze product is already used widely in the medical community to instantly stop bleeding on individuals in accidents, surgery, and dental patients.

MedSpring was not prepared to officially request the loan at this time but wanted to take the opportunity to educate the committee in preparation of an official request at the next meeting.

Motion: Mayor Robinson made a motion to include the Moab request for an interim loan of \$1 million as an agenda item for the committee meeting in August. Councilmember McNeely seconded the motion and the motion was carried.

7. **GUIDELINES vs. POLICY:** The Code of Federal Regulations (CFR) is the book of rules that governs the administration of programs funded by federal money. Although the CFR language may be complex, the state staff has simplified it through the compilation of the Application Guide and the Handbook that is provided each program year. These publications are presented to the policy committee for their review and ultimately for approval as the policy that governs the administration of the state CDBG program. When making decisions to ensure federal compliance on funded projects, the state staff refers to the approved Application Guide and Handbook. It is very important when these decisions are made that the state staff has the support from the policy committee members because these are the rules that have been implemented with their endorsement.
8. **TOUR OF ALTA TOWN CDBG PROJECTS:** The staff of Alta Town took everyone on a tour highlighting projects that benefited from CDBG funds. The committee members toured the Community Center, the Fire Department and a park with a volleyball court, a barbeque pit and some children playground equipment.
9. **ALLOCATION AMOUNTS:** Glenna passed out a copy of the allocation amounts for the current program year. She explained some deductions have been made off the top of the allocation from HUD such as the administration and the one-percent set-a-side amounts. The set-a-side money is divided equally between the seven regions, each receiving a one percent of the allocation. The base amount of \$300,000.00 for each region is also subtracted and the remaining balance is distributed among the seven regions using a per capita calculation.

A motion was made to accept the allocations as presented.

Motion: Councilmember McNeely made a motion to accept the allocation amounts for each region as presented. Mayor Marchant seconded the motion and the motion was carried.

10. **SURVEY METHODOLOGY:** The survey methodology has been rewritten to tighten up the language and hopefully will be more helpful when grantees are required to conduct surveys. Additionally, the changes in the language were made to satisfy HUD's (Housing and Urban Development) concerns of the past. There are two types of surveys in the CDBG world - one is communitywide and the other is site specific. A survey is good for three years in an area with a 51-60 percent LMI population and five years in an area with an LMI population that is above 60 percent. Keith discussed the rewritten survey methodology and also passed out a packet with detailed information.
11. **ADVERTISING THE CDBG PROGRAM:** The state staff wants grantees to please be sure that the CDBG program is getting credit for the projects that receive funding. This can be achieved by posting signs with the CDBG program name at project sites or an article in the local paper. Press release templates have been prepared and will be made available for use by grantees. A few of the AOG staff shared with everyone what they are doing to help advertise the CDBG program. For example, Five-County is using their meals-on-wheels vehicles as traveling advertisements by putting the CDBG program name on the back of the vehicles

12. PROCUREMENT UPDATE: Glenna advised the committee of some changes to the state procurement code. The federal regulations defer to state regulations when it comes to procurement. Changes were:

- Grantees must publish notice at least twice in a paper of local circulation at least five days before award in both cities and counties. Previously, the counties were required to publish three times.
- Competitive bidding requirements:
 1. The municipal building improvements threshold for the year 2004 is \$42,000.00
 2. The public works project threshold for the year 2004 is \$128,000.00

These changes were made available in writing to everyone who attended the meeting and can also be found in the Grantee Handbook.

13. Next Meeting/Adjourn: The next meeting is August 31, 2004 from 1:00 p.m. to 4:00 p.m. at the Department of Community & Economic Development, 324 South State Street, #500, Salt Lake City, Conference Room 501.

There was no further discussion and the meeting adjourned at 4:00 p.m.